

ADDENDUM

OFFICIAL STATEMENT DATED JULY 22, 2003

NEW ISSUE, BOOK-ENTRY ONLY



STATE OF WASHINGTON

\$271,400,000

Various Purpose General Obligation Bonds, Series 2004A

\$200,000,000

Motor Vehicle Fuel Tax General Obligation Bonds, Series 2004B

\$110,001,631.95

(\$266,910,000 Compound Accreted Value at Maturity)

Motor Vehicle Fuel Tax General Obligation Bonds, Series 2004C

At the request of Financial Guaranty Insurance Company, the insurer for the above-referenced Bonds, a new paragraph concerning the sale of FGIC has been added to the end of the section in the Official Statement titled "Other Bond Information—Bond Insurance," which begins on page 15. Please attach the enclosed revised pages to each copy of your final Official Statement.

August 5, 2003

- (ix) defeasances;
- (x) release, substitution or sale of property securing the repayment of the Bonds; and
- (xi) rating changes.

Termination or Modification of Undertaking. The state's obligations under the Undertaking will terminate upon the legal defeasance, prior prepayment or payment in full of all of the Bonds. The Undertaking, or any provision thereof, shall be null and void if the state:

- (i) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require the Undertaking, or any such provision, have been repealed retroactively or otherwise do not apply to the Bonds; and
- (ii) notifies each then existing NRMSIR and the SID, if any, of such opinion and the cancellation of the Undertaking.

The state may amend the Undertaking without the consent of any holder of any Bond or any other person or entity under the circumstances and in the manner permitted by the Rule. The State Treasurer will give notice to each NRMSIR or the MSRB and the SID, if any, of the substance of any such amendment, including a brief statement of the reasons therefor.

If the amendment changes the type of Annual Disclosure Report to be provided, the Annual Disclosure Report containing the amended financial information will include a narrative explanation of the effect of that change on the type of information to be provided (or in the case of a change of accounting principles, the presentation of such information). In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements:

- (i) notice of such change will be given in the same manner as for a Material Event, and
- (ii) the Annual Disclosure Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Remedies; Beneficiaries. The right to enforce the provisions of the Undertaking will be limited to a right to obtain specific enforcement of the state's obligations thereunder, and any failure by the state to comply with the provisions of the Undertaking will not be a default with respect to the Bonds. The Undertaking inures to the benefit of the State Treasurer and any holder of the Bonds, and does not inure to the benefit of or create any rights in any other person.

Additional Information. Nothing in the Undertaking will be deemed to prevent the state from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Disclosure Report or notice of occurrence of a Material Event, in addition to that which is required by the Undertaking. If the state chooses to include any information in any Annual Disclosure Report or notice of the occurrence of a Material Event in addition to that specifically required by the Undertaking, the state will have no obligation to update such information or to include it in any future Annual Disclosure Report or notice of occurrence of a Material Event.

Prior Compliance. The state has complied in all material respects with all prior written undertakings under the Rule.

OTHER BOND INFORMATION

Bond Insurance

Concurrently with the issuance of the Bonds, Financial Guaranty Insurance Company ("Financial Guaranty") will issue its Municipal Bond New Issue Insurance Policy (the "Policy") for the Series 2004A

Bonds maturing on July 1, 2006, through and including July 1, 2028, the Series 2004B Bonds maturing on July 1, 2006, through and including July 1, 2028, and the Series 2004C Bonds (together, the “Insured Bonds”). The Policy unconditionally guarantees the payment of that portion of the principal or accreted value (if applicable) of and interest on the Insured Bonds which has become due for payment, but shall be unpaid by reason of nonpayment by the state. Financial Guaranty will make such payments to U.S. Bank Trust National Association, or its successor as its agent (the “Fiscal Agent”), on the later of the date on which such principal or accreted value (if applicable) and interest is due or on the business day next following the day on which Financial Guaranty shall have received telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from an owner of Insured Bonds or the Bond Registrar of the nonpayment of such amount by the Issuer. The Fiscal Agent will disburse such amount due on any Insured Bond to its owner upon receipt by the Fiscal Agent of evidence satisfactory to the Fiscal Agent of the owner’s right to receive payment of the principal, accreted value or interest (as applicable) due for payment and evidence, including any appropriate instruments of assignment, that all of such owner’s rights to payment of such principal, accreted value or interest (as applicable) shall be vested in Financial Guaranty. The term “nonpayment” in respect of an Insured Bond includes any payment of principal, accreted value or interest (as applicable) made to an owner of an Insured Bond which has been recovered from such owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction.

The Policy is non-cancellable and the premium will be fully paid at the time of delivery of the Insured Bonds. The Policy covers failure to pay principal or accreted value (if applicable) of the Insured Bonds on their respective stated maturity dates or dates on which the same shall have been duly called for mandatory sinking fund redemption, and not on any other date on which the Insured Bonds may have been otherwise called for redemption, accelerated or advanced in maturity, and covers the failure to pay an installment of interest on the stated date for its payment.

This Official Statement contains a section regarding the ratings assigned to the Insured Bonds and reference should be made to such section for a discussion of such ratings and the basis for their assignment to the Insured Bonds. Reference should be made to the description of the state for a discussion of the ratings, if any, assigned to such entity's outstanding parity debt that is not secured by credit enhancement.

The Policy is not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

Financial Guaranty is a wholly-owned subsidiary of FGIC Corporation (the “Corporation”), a Delaware holding company. The Corporation is a subsidiary of General Electric Capital Corporation (“GE Capital”). Neither the Corporation nor GE Capital is obligated to pay the debts of or the claims against Financial Guaranty. Financial Guaranty is a monoline financial guaranty insurer domiciled in the State of New York and subject to regulation by the State of New York Insurance Department. As of March 31, 2003, the total capital and surplus of Financial Guaranty was approximately \$1.028 billion. Financial Guaranty prepares financial statements on the basis of both statutory accounting principles and generally accepted accounting principles. Copies of such financial statements may be obtained by writing to Financial Guaranty at 125 Park Avenue, New York, New York 10017, Attention: Communications Department (telephone number: 212-312-3000) or to the New York State Insurance Department at 25 Beaver Street, New York, New York 10004-2319, Attention: Financial Condition Property/Casualty Bureau (telephone number: 212-480-5187).

On August 4, 2003, General Electric Company (“GE”) announced that its indirect, wholly owned subsidiary, FGIC Holdings, Inc. (“Holdings”), had entered into an agreement to sell FGIC Corporation (and Financial Guaranty) to Falcons Acquisition Corp. (“Newco”), a newly-formed Delaware corporation owned by a consortium of investors consisting of The PMI Group, Inc. and private equity funds affiliated with Blackstone Group, Cypress Group and CIBC Partners, subject to receipt of regulatory approvals, written confirmations from Moody’s, S&P and Fitch that Financial Guaranty’s insurance financial strength rating will remain at Aaa, AAA and AAA, respectively, immediately following the closing of the

contemplated transactions, and satisfaction of other closing conditions. Immediately following the closing, it is expected that Newco will be merged with and into FGIC Corporation and that GE (through its subsidiaries) will retain \$234.6 million of preferred stock, and less than five percent of the common stock, of FGIC Corporation.

Bond Ratings

The Bonds have been rated “AA,” “Aa1” and “AA+” by Fitch, Moody’s Investors Service and Standard & Poor’s Ratings Services, a Division of The McGraw Hill Companies, Inc., respectively. The Insured Bonds have been rated “AAA,” “Aaa” and “AAA,” respectively, based upon the issuance of the Policy by Financial Guaranty simultaneously with the delivery of the Insured Bonds. The state has furnished certain information and materials to the rating agencies regarding the Bonds and the state. Generally, rating agencies base their ratings on the information and materials furnished to them and on their own investigations, studies and assumptions. Such ratings reflect only the respective views of such rating agencies and are not a recommendation to buy, sell or hold the Bonds. An explanation of the significance of such ratings may be obtained from any of the rating agencies furnishing the same.

There is no assurance that such ratings will be maintained for any given period of time or that they may not be raised, lowered, suspended or withdrawn entirely by the rating agencies, or any of them, if in their or its judgment, circumstances warrant. Any such downward change in or suspension or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. The state undertakes no responsibility to oppose any such change or withdrawal.

Financial Advisors

Seattle-Northwest Securities Corporation and Montague DeRose and Associates, LLC have served as financial advisors to the state relative to the preparation of the Bonds for sale and other factors relating to the Bonds. The financial advisors have not audited, authenticated or otherwise verified the information set forth in this Official Statement or other information relative to the Bonds. The financial advisors make no guaranty, warranty or other representation on any matter related to the information contained in the Official Statement.

The payment of compensation to Seattle-Northwest Securities Corporation as financial advisor is contingent upon the successful delivery of the Bonds to, and full payment for the Bonds by, the successful bidders. Montague DeRose and Associates, LLC is paid on a retainer basis as financial advisor and its compensation is not contingent upon the successful delivery of the Bonds.

Underwriter of the Bonds

The Bonds have been purchased by Lehman Brothers (the “Underwriter”). The Series 2004A Bonds are being purchased at a price of \$281,043,765.90, and will be reoffered at a price of \$283,288,243.90, as reflected by the prices or yields set forth on page i of this Official Statement. The Series 2004B Bonds are being purchased at a price of \$207,179,843.40, and will be reoffered at a price of \$208,529,843.40, as reflected by the prices or yields set forth on page ii of this Official Statement. The Series 2004C Bonds are being purchased at a price of \$108,264,071.47, and will be reoffered at a price of \$110,001,631.95, as reflected by the prices or yields set forth on page iii of this Official Statement.

The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the initial offering prices set forth respectively on pages i, ii and iii hereof, and such initial offering prices may be changed from time to time by the Underwriter. After the initial public offering, the public offering prices may be varied from time to time.

Delivery of Bonds

It is expected that the Bond closing will take place in Seattle, Washington, on or about August 6, 2003. The Bonds will be delivered through the facilities of DTC in New York, New York, or to the Bond Registrar on behalf of DTC by Fast Automated Securities Transfer.

Official Statement

The purpose of this Official Statement is to supply information to prospective buyers of interests in the Bonds. Quotations and summaries and explanations of the Bonds and documents contained in this Official Statement do not purport to be complete, and reference is made to such documents for full and complete statements of their provisions.

Excerpts from the state's 2002 Comprehensive Annual Financial Report (the "CAFR") are attached as Appendix D. Copies of the state's entire 2002 CAFR are available on the Office of Financial Management's website at <http://www.ofm.wa.gov/accounting/financial.htm> or upon request from the Office of the State Treasurer.

Michael J. Murphy, the State Treasurer and Chairman, has reviewed and approved this Official Statement on behalf of the state pursuant to the Bond Resolutions of the Committee.

STATE OF WASHINGTON

By: /s/

State Treasurer and Chairman,
State Finance Committee

Dated: July 22, 2003